

PUBLIC LAW 104-201—SEPT. 23, 1996 110
STAT. 2569

title by reason of the service of a person who first became a member of a uniformed service before September 8, 1980. the retired pay of the person providing the annuity shall for the purposes of paragraph (1) be computed on the basis of the rates of basic pay in effect on the effective date of the annuity.

"(d) REDUCTION OF ANNUITIES AT AGE 62.—
"(1) REDUCTION REQUIRED.—The annuity of a person whose annuity is computed under subparagraph (A) of subsection (a)(1), (a)(2), or (c)(1) shall be reduced on the first day of the month after the month in which the person becomes 62 years of age.

"(2) AMOUNT OF ANNUITY AS REDUCED.—
"(A) 35 PERCENT ANNUITY.—Except as provided in subparagraph (B), the reduced amount of the annuity shall be the amount of the annuity that the person would be receiving on that date if the annuity had initially been computed under subparagraph (B) of that subsection.

"(B) SAVINGS PROVISION FOR BENEFICIARIES ELIGIBLE FOR SOCIAL SECURITY OFFSET COMPUTATION.—In the case of a person eligible to have an annuity computed under subsection (e) and for whom at the time the person becomes 62 years of age the annuity computed with a reduction under subsection (e)(3) is more favorable than the annuity with a reduction described in subparagraph (A), the reduction in the annuity shall be computed in the same manner as a reduction under subsection (e)(3).

"(e) SAVINGS PROVISION FOR CERTAIN BENEFICIARIES.—
"(1) PERSONS COVERED.—The following beneficiaries under the Plan are eligible to have an annuity under the Plan computed under this subsection:

"(A) A beneficiary receiving an annuity under the Plan on October 1, 1985, as the surviving spouse or former spouse of the person providing the annuity.

"(B) A spouse or former spouse beneficiary of a person who on October 1, 1985—

"(i) was a participant in the Plan;

"(ii) was entitled to retired pay or was qualified for that pay except that he had not applied for and been granted that pay; or

"(in) would have been eligible for

reserve-component retired pay but for the fact that he was under 60 years of age.

"(2) AMOUNT OF ANNUITY.—Subject to paragraph (3) an annuity computed under this subsection is determined as follows:

"(A) STANDARD ANNUITY.—In the case of the beneficiary of a standard annuity, the annuity shall be the amount equal to 55 percent of the base amount.

"(B) RESERVE-COMPONENT ANNUITY.—In the case of the beneficiary of a reserve-component annuity, the annuity shall be the percentage of the base amount that—
"(i) is less than 55 percent; and

"(ii) is determined under subsection (f).

"(C) BENEFICIARIES OF PERSONS DYING DURING A PERIOD OF SPECIAL ELIGIBILITY FOR SBP.—In the case of the beneficiary of an annuity under section 1448(d) or 1448(f) of